17. NATURAL RESOURCES AND ENVIRONMENT

Table 17–1. FEDERAL RESOURCES IN SUPPORT OF NATURAL RESOURCES AND ENVIRONMENT

(In millions of dollars)

Function 300	1998 Actual	Estimate					
		1999	2000	2001	2002	2003	2004
Spending:							
Discretionary Budget Authority	23,456	23,355	23,812	23,987	23,886	23,911	23,964
Mandatory Outlays:							
Existing law	441	1,049	709	802	701	860	834
Proposed legislation	.....	.....	–753	–740	–777	–726	–703
Credit Activity:							
Direct loan disbursements	39	35	46	N/A	N/A	N/A	N/A
Guaranteed loans	.....	.....	.....	N/A	N/A	N/A	N/A
Tax Expenditures:							
Existing law	1,460	1,515	1,555	1,620	1,670	1,735	1,790
Proposed legislation	.....	.....	–84	–45	31	108	185

N/A = Not available

The Federal Government spends over $23 billion a year to protect the environment, manage Federal land, conserve resources, provide recreational opportunities, and construct and operate water projects. The Federal Government manages about 700 million acres—a third of the U.S. continental land area.

The Natural Resources and Environment function reflects most Federal support for natural resources and the environment, but does not include certain large-scale environmental programs, such as the environmental clean-up programs at the Departments of Energy and Defense.

Within this function, Federal efforts focus on providing cleaner air and water, conserving natural resources, and cleaning up environmental contamination. The major goals include:

- protecting human health and safeguarding the natural environment—air, water, and land—upon which life depends;
- restoring and maintaining the health of federally-managed lands, waters, and renewable resources; and
- providing recreational opportunities for the public to enjoy natural and cultural resources.

Federal lands include the 378 units of the National Park System, the 156 National Forests; the 514 refuges in the National Wildlife Refuge System; and land managed by the Bureau of Land Management (BLM) in 11 Western States (see Chart 17–1).

Land and Water Conservation Fund

The Land and Water Conservation Fund (LWCF) is an important tool for species and habitat conservation. The Fund uses the royalties of offshore oil and gas leases to help Federal, State, and local governments acquire land for conservation and outdoor recreation.

The 2000 Lands Legacy initiative will allocate full funding ($900 million) from the LWCF to support: (1) conservation of Federal

lands to preserver wildlife habitat, natural resources, and historic sites; (2) Federal grants and planning assistance for States and local governments to protect local green space, urban parks, and greenways; and (3) Federal and State efforts to restore ocean and coastal resources.

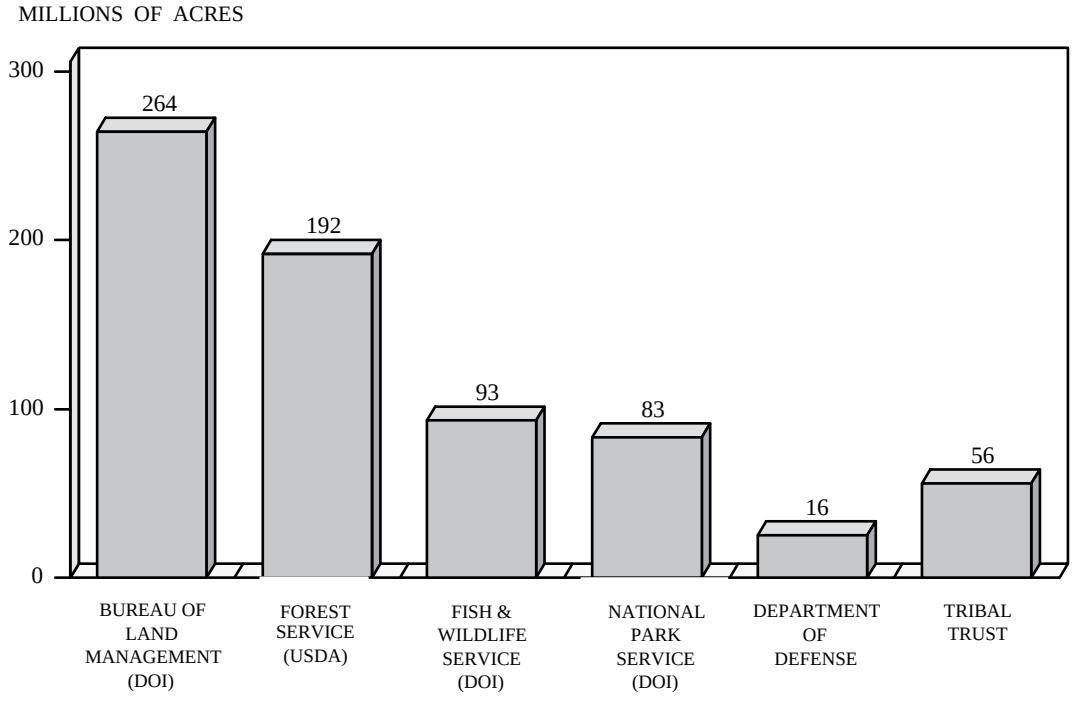
- In 2000, Interior will acquire approximately 500,000 acres in the California Desert region, 22,500 acres to expand refuges in the Northern Forests of Maine, Vermont, New Hampshire, and New York, and about 1,500 acres for Civil War battlefields.
- In 2000, the Forest Legacy program will support permanent easements for 150,000 acres, up from 9,000 acres in 1999.
- In 2000, approximately 80,000 acres of farmland threatened with development will be protected through permanent easements.
- In 2000, the National Oceanic and Atmospheric Administration (NOAA) will double the number of protected acres in the National Estuay Reserve System from 500,000 in 1999.

As a complement to the Lands Legacy initiative, the Administration will also propose a Livability Initiative that includes, among other components, a new financing tool that will generate $9.5 billion in bond authority for investments by State, local, and Tribal governments. These Better America Bonds will be used to preserve green space, create or restore urban parks, protect water quality, and clean up brownfields.

National Parks

The Federal Government spends over $1.8 billion a year to maintain a system of national parks that covers over 83 million acres in 49 States, the District of Columbia, and various territories. Discretionary funding for the National Park Service (NPS) has steadily increased (almost five percent a year since 1986) and fee receipts have grown from $93 million in 1996 to about $180

Chart 17-1. FEDERAL LAND MANAGEMENT BY AGENCY



million in 1998. Yet, the popularity of national parks has generated even faster growth in the number of visitors, new parks, and additional NPS responsibilities.

With demands growing faster than available resources, NPS is taking new, creative, and more efficient approaches to managing parks and has developed performance measures against which to gauge progress. NPS and other Department of the Interior bureaus are systematically addressing facility maintenance and construction needs through newly established five-year lists of priority projects. The bureaus will update these lists annually to track progress in addressing top priorities and completing funded projects on time and at cost.

In 2000, NPS will:

- Maintain the percentage of park visitors that summarize their experience as good or very good at 95 percent—the 1998 results of a new survey using an enhanced methodology and covering over 300 parks.
- Help State and local governments through NPS partnerships to add an additional 280 miles of recreational trails, 310 miles of recreational river corridors, and 9,000 acres of recreational parkland, compared to 220 trail miles, 240 river miles, and 7,000 parkland acres added in 1998.
- Complete 329 data sets for natural resource inventories in 2000 out of 2,287 required, compared to 180 completed through 1998.

Conservation and Land Management

The 75 percent of Federal land that makes up the National Forests, National Grasslands, National Wildlife Refuges, and the BLM-administered public lands also provides significant public recreation. BLM provides for nearly 65 million recreational visits a year, while over 30 million visitors enjoy wildlife each year at National Wildlife Refuges. With its 133,000 miles of trails, the Forest Service is the largest single supplier of public outdoor recreation, providing 341 million recreational visitor days last year.

Federal lands also provide other benefits. With combined annual budgets of about $4 billion, BLM and the U.S. Forest Service (USFS) manage lands for multiple purposes, including outdoor recreation, range, timber, watershed, wildlife and fish, and wilderness. BLM, USFS, and NPS have been identified by the Vice President's National Partnership for Reinventing Government as High-Impact Agencies. As part of the goals to cut red tape and streamline processes, these agencies are cooperating to build an integrated nationwide outdoor recreation information system that delivers seamless service to customers regardless of agency jurisdiction.

Some high priority reinvention projects include:

Financial Management: USFS is implementing a new general ledger system and reengineering the budget process to better align budget planning and execution with the agency's strategic goals. A redesigned budget structure will better connect funding categories to strategic goals and help employees at the field level execute integrated ecosystem projects.

"Service First": Proposed in the 1996 Reinventing Government report, USFS and BLM are working together to deliver seamless service to customers and "boundaryless" care for the land. This began as two pilot projects in Colorado and Oregon to: (1) improve customer service with one-stop shopping; (2) achieve efficiencies in operations to reduce or avoid costs; and (3) take better care of the land by taking a landscape approach to stewardship rather than stopping at the traditional jurisdictional boundaries. USFS and BLM are also looking to streamline major business processes to make them work better for both employees and customers.

BLM and USFS concentrate on the long-term goal of providing sustainable levels of multiple uses while ensuring and enhancing ecological integrity. Their performance measures include:

- USFS will target increased funding to needed watershed restoration work by increasing acres of watershed restoration work by 100 percent (to 40,000 acres) over 1999 levels of 20,000 acres; increasing the acres of noxious weed control by 21 percent (to 64,500 acres) over 1999 levels of

51,410 acres; maintain the pace of obliterating existing roads at the 1999 level (3,500 miles), as compared to 1,200 miles in 1998; and increasing the number of acres treated for fire hazard reduction to 1.8 million, compared to a 1999 planned level of 1.6 million.

- For priority watersheds, BLM will enhance the ecological integrity of an additional 1,700 miles of riparian areas and 128,500 acres of wetlands in 2000, compared to 868 miles and 11,842 acres enhanced in 1997; BLM will also treat 344,300 acres for fire hazard reduction by prescribed fire and mechanical means, compared to 1997 levels of 70,000 acres.

The Interior Department's Fish and Wildlife Service (FWS), with a budget of $1.6 billion, manages 93 million acres of refuges and, with the Commerce Department's National Marine Fisheries Service (NMFS), protects species on Federal and non-Federal lands.

- Proposed 2000 funding increases will enable the refuge system to manage an additional 948,000 more acres over the 1997 baseline of 93 million acres.
- FWS will also increase by one million acres the number of protected, non-Federal acres in Habitat Conservation Plans (HCPs) up from two million in 1998; keep 15 more species off the endangered species list, compared to a 1998 baseline of seven species kept off the list; and improve or stabilize the populations of 37 percent of species listed a decade or more, over a 1998 baseline of 36 percent.
- NMFS will implement programs in 2000 to continue fully assessing 80 percent of fish stocks, increasing the number of listed species that improve in status to 16 over a baseline of 12 in 1997, and increasing the number of restored acres of coastal habitat by 25 percent over 1999 levels of 43,000 cumulative acres restored.

Half of the continental United States is crop, pasture, and rangeland. Two percent of Americans own and manage this land—farmers and ranchers. The Department of Agriculture's (USDA) Natural Resources Conservation Service provides technical assistance to them to improve land management practices.

Under USDA's Wetlands Reserve Program (WRP), the Federal Government buys long-term or permanent easements from cropland owners that take the land out of production and restore it to wetlands. Landowners receive up to 100 percent of the fair market agricultural value for the land and cost-share assistance to cover the wetland restoration expenses. At the end of 1999, cumulative acreage in the WRP will total 775,174.

- In 2000, WRP will enroll 199,826 additional acres, bringing its cumulative acreage to the 975,000 authorized enrollment cap.
- USDA will use a number of programs to address the goals outlined in the Clean Water Action Plan's Animal Feeding Operations Strategy, resulting in the installation of 10,400 animal waste management systems to protect water from agricultural pollution, an increase of 30 percent over 1999.
- Through several programs, USDA will also implement resource management systems to control erosion and improve habitat on 6.3 million acres of grazing lands, compared to six million acres in 1999.

USDA's Environmental Quality Incentives Program (EQIP), which provides funds to farmers and ranchers to adopt sound conservation practices, will again target funds in 2000 to conservation priority areas such as Maine's Penobscot Nation and Texas's Edwards Aquifer. These areas use EQIP funds to address problems ranging from erosion to threatened and endangered species to water quality. The 2000 budget proposes $300 million in mandatory funding for EQIP, a $126 million increase above 1999, in support of the Clean Water Action Plan.

Everglades and California Bay-Delta Restoration

Federal and non-Federal agencies are carrying out long-term restoration plans for several nationally significant ecosystems, such as those in South Florida and California's Bay-Delta. The South Florida ecosystem is a national treasure that includes the Everglades

and Florida Bay. Its long-term viability is critical for the tourism and fishing industries, and for the water supply, economy, and quality of life for South Florida's six million people. Economic development and water uses in California's San Francisco Bay-San Joaquin Delta watershed have diminished water quality, degraded wildlife habitat, endangered several species, and reduced the estuary's reliability as a water source for two-thirds of Californians and seven million acres of highly productive agricultural land.

- The U.S. Army Corps of Engineers will complete its comprehensive review of the central and southern Florida project by July 1, 1999, thus providing a master plan for restoring the Everglades while accommodating other demands for water and related resources in South Florida. By September 30, 2002, seven of the 68 currently known federally endangered and threatened species in South Florida will be able to be "down-listed."
- The Bay-Delta program expects to complete during 2000 the required National Environmental Policy Act review and select the preferred long-term plan to solve critical water-related problems in the California Bay-Delta. The plan will contain specific, measurable performance goals for levee protection, ecosystem restoration, and water conservation, storage and conveyance.

Scientific Support for Natural Resources

The management of lands, the availability and quality of water, and improvements in the protection of resources are based on sound natural resources science. The U.S. Geological Survey (USGS) provides research and information to land managers and the public to better understand ecosystems and species habitat, land and water resources, and natural hazards.

In 2000, the USGS will lead the Community-Federal Information Partnership, an interagency effort to provide communities with the geospatial information they need to make sound planning decisions and preserve open space. Communities will receive GIS technological tools and earth science data to improve mapping and planning capabilities.

The Commerce Department's NOAA manages ocean and coastal resources in the 200-mile Exclusive Economic Zone and in 12 National Marine Sanctuaries. Its National Ocean Service and NMFS manage 201 fish stocks, 163 marine mammal populations, and their associated coastal and marine habitats. NOAA's National Weather Service (NWS), using data collected by the National Environmental Satellite and Data Information Service, provides weather forecasts and flood warnings. Its Office of Oceanic and Atmospheric Research provides science for policy decisions in areas such as climate change, air quality and ozone depletion.

- In 2000, NWS' ongoing modernization will increase the lead time of flash flood warnings to 42 minutes and the accuracy of flash flood warnings to 85 percent; increase the lead time of severe thunderstorm warnings to 20 minutes and the accuracy of severe thunderstorm warnings to 85 percent, and increase the accuracy of heavy snowfall forecasts to 60 percent.

Pollution Control and Abatement

The Federal Government helps achieve the Nation's pollution control goals by: (1) taking direct action; (2) funding actions by State, local, and Tribal governments; and (3) implementing an environmental regulatory system. The Environmental Protection Agency's (EPA) $7.2 billion in discretionary funds and the Coast Guard's $140 million Oil Spill Liability Trust Fund (which funds oil spill prevention and cleanup) finance the activities in this subfunction. EPA is an NPR High Impact Agency whose discretionary funds have three major components—the operating program, Superfund, and water infrastructure financing.

EPA's $3.7 billion operating program provides the Federal funding to implement most Federal pollution control laws, including the Clean Air, Clean Water, Resource Conservation and Recovery, Safe Drinking Water, and Toxic Substances Control Acts. EPA protects human health and the environment by developing national pollution control standards, largely enforced by the States under EPA-delegated authority. For example, under the Clean Air Act, EPA works to make the air clean and healthy to breathe by

setting standards for ambient air quality, toxic air pollutant emissions, new pollution sources, and mobile sources.

- In 2000, EPA will certify that five of the estimated 30 remaining nonattainment areas have achieved the one-hour National Ambient Air Quality Standard for ozone (see Chart 17–2).
- In 2000, air toxics emissions nationwide from stationary and mobile sources combined will be reduced by five percent from 1999 (for a cumulative reduction of 30 percent from the 1993 level of 1.3 million tons).

Under the Clean Water Act, EPA works to conserve and enhance the ecological health of the Nation's waters, through regulation of point source discharges and through multiagency initiatives such as the Administration's Clean Water Action Plan.

- In 2000, environmental improvement projects will be underway in 350 high priority watersheds as a result of implementing activities under the Clean Water Action Plan.

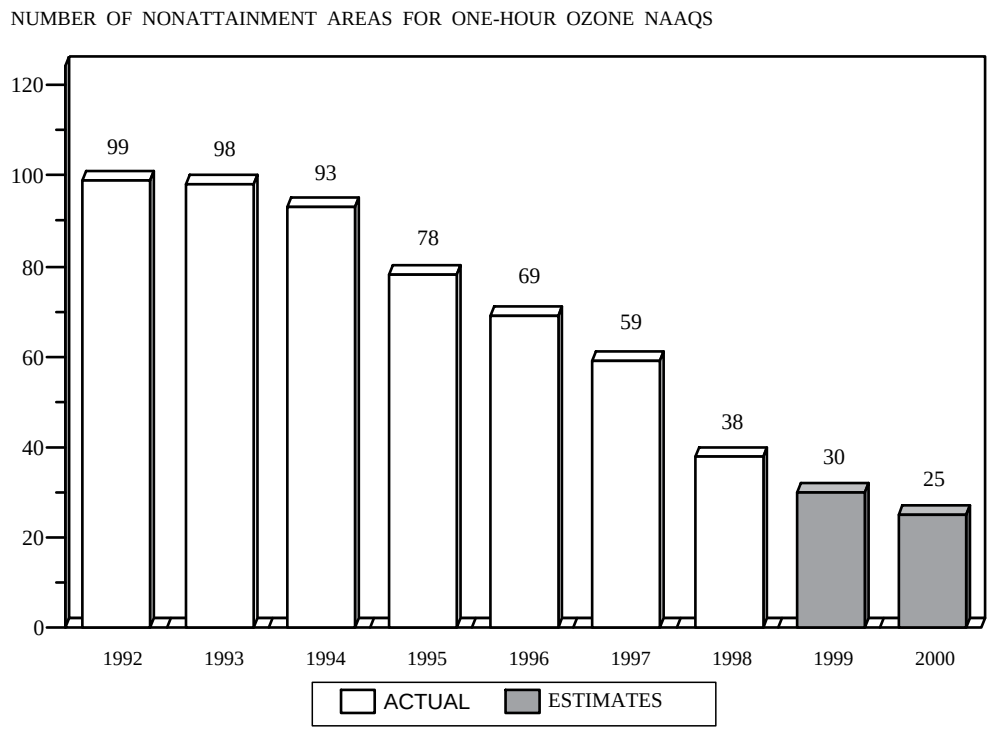
Under the Federal Insecticide, Fungicide, and Rodenticide Act and the Federal Food, Drug, and Cosmetic Act, EPA regulates pesticide use, grants product registrations, and sets tolerances (standards for pesticide residue on food) to reduce risk and promote safer means of pest control.

- In 2000, EPA will reassess 20 percent of the existing 9,700 tolerances to ensure that they meet the statutory standard of "reasonable certainty of no harm," achieving a cumulative 53 percent.

EPA's pollution prevention program seeks to reduce environmental risks where Americans reside, work, and enjoy life.

- In 2000, the quantity of Toxic Release Inventory pollutants released, disposed of, treated, or combusted for energy recovery will be reduced by 200 million pounds, or two percent, from 1999 reporting levels.

Chart 17-2. AIR QUALITY TRENDS



Under the Resource Conservation and Recovery Act (RCRA), EPA and authorized States prevent dangerous releases to the environment of hazardous, industrial nonhazardous, and municipal solid wastes by requiring proper facility management and cleanup of environmental contamination at those sites.

- In 2000, 146 more hazardous waste management facilities will have approved controls in place to prevent dangerous releases to air, soil, and groundwater, for a total of 65 percent of 3380 facilities.

EPA's underground storage tank (UST) program seeks to prevent, detect, and correct leaks from USTs containing petroleum and hazardous substances. Regulations issued in 1988 required that substandard USTs (lacking spill, overfill and/or corrosion protection) be upgraded, replaced or closed by December 22, 1998.

- By the end of 2000, 90 percent of USTs will be in compliance with these requirements, which improves upon the estimated 65 percent as of the December 22, 1998 deadline.

In October 1997, the President announced immediate actions to begin addressing the problem of global climate change, and included the Climate Change Technology Initiative (CCTI) in the 1999 Budget. The 2000 Budget provides $216 million for the second year of EPA's portion of CCTI, much of which focuses on the deployment of underutilized but existing technologies that reduce greenhouse gas emissions. The partnerships EPA has built with business and other organizations since the early 1990s will continue to be the foundation for reducing greenhouse gas emissions in 2000 and beyond.

- In 2000, greenhouse gas emissions will be reduced from projected levels by more that 50 million metric tons of carbon equivalent per year through EPA partnerships with businesses, schools, State and local governments, and other organizations. This reduction level will be an increase of 10 million metric tons over 1999 reduction levels.
- In 2000, energy consumption will be reduced from projected levels by over 60 billion kilowatt hours, resulting in over $8 billion in energy savings to consumers and businesses that participate in EPA's climate change programs. This will represent an increase of 15 billion kilowatt hours and $5 million in annual energy savings over 1999.

The new Clean Air Partnership Fund will also contribute to the achievement of these goals as well as the ozone attainment goal.

The $1.5 billion Superfund program pays to clean up hazardous spills and abandoned hazardous waste sites, and to compel responsible parties to clean up. The Coast Guard implements a smaller but similar program to clean up oil spills. Superfund also supports EPA's Brownfields program, designed to assess, clean up, and re-use formerly contaminated sites.

- In 2000, EPA will complete 85 Superfund cleanups, continuing on a path to reach 925 completed cleanups by the end of 2002.
- In 2000, EPA will fund Brownfields site assessments in 50 more communities, thus reaching 350 communities by the end of 2000.
- In 2000, the Coast Guard will reduce the rate of oil spilled into the Nation's waters to 4.83 gallons per million gallons shipped from a baseline of 5.25 gallons in 1998.

Federal water infrastructure funds provide capitalization grants to State revolving funds, which make low-interest loans to help municipalities pay for wastewater and drinking water treatment systems required by Federal law. The $1.625 billion in the 2000 Budget is consistent with the Administration's plans to capitalize these funds to the point where the Clean Water State Revolving Funds (CWSRF) and the Drinking Water State Revolving Funds (DWSRF) provide a total of $2.5 billion in average annual assistance. The $72 billion in Federal assistance since passage of the 1972 Clean Water Act has dramatically increased the portion of Americans enjoying better quality water. Ensuring that community water systems meet health-based drinking water standards is supported by both the DWSRF and operating program resources.

- In 2000, another two million people will receive the benefits of secondary treatment of wastewater, for a total of 181 million.
- In 2000, 91 percent of the population served by community water systems will receive drinking water meeting all health-based standards in effect as of 1994, up from 83 percent in 1994.

USDA gives financial assistance to rural communities to provide safe drinking water and adequate wastewater treatment facilities to rural communities. The budget proposes $1.5 billion in combined grant, loan, and loan guarantees for this assistance, a 12 percent increase over 1999. Part of those funds will go toward the Water 2000 initiative to bring indoor plumbing and safe drinking water to under-served rural communities. Since 1994, USDA has invested almost $1.6 billion in loans and grants on high-priority water 2000 projects nationwide.

- In 2000, USDA will fund 300 high-priority water 2000 projects.

The Office of Surface Mining (OSM), in partnership with States, reclaims abandoned coal mines using funds from the Abandoned Mine Lands Reclamation Fund.

- In 2000, OSM will reclaim 9,235 acres of abandoned coal mine lands, 1,235 acres more than in 1999.

Water Resources

The Federal Government builds and manages water projects for navigation, flood-damage reduction, environmental purposes, irrigation, and hydropower generation. The Army Corps of Engineers operates Nationwide, while Interior's Bureau of Reclamation operates in the 17 western States. The budget proposes $4.7 billion for the agencies in 2000—$3.9 billion for the Corps, $0.8 billion for the Bureau. The budget includes a proposal to create a new Harbor Services Fund to increase funding for the Corps' operations, maintenance, and construction activities at our Nation's ports and harbors and help ensure a safe and economically competitive port system. While navigation and flood damage reduction remain the Corps' major focus, its responsibilities increasingly address environmental objectives.

- In 2000, maintain Corps controlled commercial navigation and flood damage-reduction facilities to be fully operational at least 95 percent of the time.
- In 2000, the Corps' regulatory program will achieve "no net loss" of wetlands by creating, enhancing, and restoring wetlands functions and values that are comparable to those lost when the Corps issues permits to allow wetlands to be developed.

Congress created the Bureau of Reclamation primarily to develop water supplies to support economic development in the western States. Since the West is now largely developed, the Bureau has shifted its emphasis to become a water resources management agency.

- In 2000, the Bureau will deliver or release the amount of water contracted for from Reclamation-owned and operated facilities, expected to be no less than 27 million acre-feet. Reclamation will also generate power needed to meet contractual commitments and other requirements 100 percent of the time, depending upon water availability.

Tax Incentives

The tax code offers incentives for natural resource industries, especially timber and mining. The timber industry can deduct certain costs for growing timber, pay lower capital gains rates on profits, take a credit for investments, and quickly write-off reforestation costs—in total, costing about $585 million in 2000. The mining industry benefits from percentage depletion provisions (which sometimes allows deductions that exceed the economic value of resource depletion) and can deduct certain exploration and development costs—together, costing about $270 million in 2000.

In 2000, Better America Bonds will provide tax incentives for State and local governments to protect local green spaces, improve water quality, and clean up abandoned industrial sites.